

AN ACT

relating to formula funding for excess undergraduate credit hours at public institutions of higher education and to the tuition rate that may be charged for those credit hours.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 54.014, Education Code, is amended by amending Subsection (a) and adding Subsections (a-1) and (a-2) to read as follows:

(a) An institution of higher education may charge a resident undergraduate student tuition at a higher rate than the rate charged to other resident undergraduate students, not to exceed the rate charged to nonresident undergraduate students, if before the semester or other academic session begins the student has previously attempted a number of semester credit hours for courses taken at any institution of higher education while classified as a resident student for tuition purposes that exceeds ~~[by at least 30 hours]~~ the number of semester credit hours required for completion of the degree program in which the student is enrolled by at least:

(1) for an associate degree program, 15 hours; or

(2) for a baccalaureate degree program, 30 hours.

(a-1) For purposes of Subsection (a) ~~[this subsection]~~, an undergraduate student who is not enrolled in a degree program is considered to be enrolled in a baccalaureate degree program ~~[or programs requiring a minimum of 120 semester credit hours,~~

1 ~~including minors and double majors, and for completion of any~~  
2 ~~certificate or other special program in which the student is also~~  
3 ~~enrolled, including a program with a study-abroad component].~~

4 (a-2) An institution of higher education that charges  
5 students tuition at a higher rate under Subsection (a) [~~this~~  
6 ~~subsection~~] may adopt a policy under which the institution exempts  
7 from the payment of that higher rate a student that is subject to  
8 the payment of the higher rate solely as a result of hardship as  
9 determined by the institution under the policy.

10 SECTION 2. Sections [61.0595](#)(a) and (b), Education Code, are  
11 amended to read as follows:

12 (a) In the formulas established under Section [61.059](#), the  
13 board may not include funding for semester credit hours earned by a  
14 resident undergraduate student who before the semester or other  
15 academic session begins has previously attempted a number of  
16 semester credit hours for courses taken at any institution of  
17 higher education while classified as a resident student for tuition  
18 purposes that exceeds [~~by at least 30 hours~~] the number of semester  
19 credit hours required for completion of the degree program or  
20 programs in which the student is enrolled, including minors and  
21 double majors, and for completion of any certificate or other  
22 special program in which the student is also enrolled, including a  
23 program with a study-abroad component, by at least:

24 (1) for an associate degree program, 15 hours; or

25 (2) for a baccalaureate degree program, 30 hours.

26 (b) For purposes of Subsection (a), an undergraduate  
27 student who is not enrolled in a degree program is considered to be

1 enrolled in a baccalaureate degree program [~~requiring a minimum of~~  
2 ~~120 semester credit hours~~].

3         SECTION 3. The change in law made by this Act to Section  
4 [54.014](#), Education Code, applies beginning with tuition charged to  
5 students enrolling for the first time in an associate degree  
6 program at a public institution of higher education for the 2023  
7 fall semester. Tuition charged to a student who first enrolled in  
8 an associate degree program at a public institution of higher  
9 education before the 2023 fall semester is governed by the law in  
10 effect immediately before the effective date of this Act, and the  
11 former law is continued in effect for that purpose.

12         SECTION 4. The change in law made by this Act to Section  
13 [61.0595](#), Education Code, applies beginning with funding  
14 recommendations made under Section [61.059](#), Education Code, for the  
15 state fiscal biennium beginning September 1, 2023, for semester  
16 credit hours earned by students initially enrolling in an associate  
17 degree program at a public institution of higher education for the  
18 2023 fall semester or a subsequent semester or term. Funding  
19 recommendations for semester credit hours earned by a student who  
20 initially enrolled in an associate degree program at a public  
21 institution of higher education before the 2023 fall semester are  
22 governed by the law in effect immediately before the effective date  
23 of this Act, and the former law is continued in effect for that  
24 purpose.

25         SECTION 5. This Act takes effect September 1, 2021.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 1531 passed the Senate on April 19, 2021, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 28, 2021, by the following vote: Yeas 31, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 1531 passed the House, with amendment, on May 25, 2021, by the following vote: Yeas 73, Nays 72, one present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor